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SUBJECT: CNDD PRESIDENT SACKS AND ARRESTS LEAD AUDITOR

REF: CONAKRY 0201

¶1. (SBU) Just a few days after meeting with Pol/Econ Chief to discuss the inner workings of the CNDD's Audit Commission (reftel), Amadou Mouctar Balde finds himself without a job and behind bars. CNDD President Moussa Dadis Camara signed an official decree over the weekend, claiming that Balde was responsible for causing "confusion and misinformation." The news has Guinea's rumor mill working overtime. Available information suggests that Dadis was unhappy with a public statement Balde made over national television regarding the status of the audit on Futurlec, a company owned by the notoriously corrupt business magnate turned presidential candidate, Mamadou Syllah.

¶2. (SBU) According to sources, Balde publicly exonerated Mamadou Syllah of owing any money to the government. He explained how the Guinean military had accepted delivery of supplies and equipment from Futurlec worth \$34 million, which was documented by official, as of yet unpaid receipts. Since Mamadou Syllah's total liabilities to the government are in the neighborhood of \$19 million, Balde argued that the GoG in fact now owes Syllah approximately \$15 million for goods received (i.e. \$34 million minus \$19 million).

¶3. (SBU) Shortly after Balde's public statement, Radio Television Guinean (RTG) broadcast an informal hearing in which two former governors of the Central Bank (Ibrahima Cherif Bah and Daouda Bangoura) and two former Ministers of Finance (Cheick Ahmadou Camara and Mady Kaba Camara) were questioned about missing funds. At issue was the "mysterious" disappearance of some seven tons of gold from the Central Bank as well as a number of "dubious" transactions, valued at several million dollars, between the GoG and Futurlec. Upon hearing this information, Dadis reportedly became quite angry over the apparent inconsistencies between the testimony and Balde's pronouncement.

¶4. (SBU) Within the text of the presidential decree, Dadis stated that Balde was not authorized to speak on the Mamadou Syllah case, and that his actions encouraged confusion within the population. For years, Mamadou Syllah has been widely perceived to be among Guinea's most corrupt, and it was his premature release from prison at the hands of the late President Conte that sparked the nationwide labor strike in early 2007.

COMMENT

¶5. (SBU) It is unclear whether Balde was arrested on solid legal grounds, or for simply being at cross-purposes with Dadis. The Mamadou Syllah corruption case is highly sensitive and it was probably not a well-considered move on Balde's part to publicly exonerate him over national

television without prior authorization, regardless of the evidence. Still, the case highlights just how precarious political life is under Dadis, not to mention his increasingly arbitrary meting out of justice. The case also suggests that all is not as the CNDD would like it to seem when it comes to the audits and corruption investigations.

END COMMENT.

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